



Financial Affairs Committee

September 15, 2000

Amended (10/10)

1. Opening Business

The September meeting was held in the ACWA Office Boardroom, 910 K Street, Sacramento. The meeting began at 9:30 a.m.

The next Financial Affairs Committee meeting will be held at **9:30 a.m. on October 27 in the Glenn-Colusa Irrigation District's Boardroom, 344 East Laurel Street, Willows, CA.** Following the luncheon meeting, GCID will guide us on a tour of its new fish screen facilities.

2. Reclamation Reports. Jesus Reynoso represented the Bureau of Reclamation.

--*Update on Water Accounting Program (RAIN).* Jesus reported that JAVIS has been selected as the contractor to develop the Bureau's new water accounting program.

--*Update on 1999 Water Contractor Accountings.* Jesus reported that the irrigation contractors who have refunds coming should be getting them soon. Jesus explained that once the Bureau receives written responses from the contractors regarding how to apply their refunds, a voucher is prepared to move funds from revenue to an advance account. It usually takes about 10 days after that for the Bureau's Denver Office to electronically transfer the funds to the contractors.

--*Update on CVP Cost Allocation.* Jesus had nothing new to offer on the cost allocation update other than that a draft report identifying the Bureau's preferred cost allocation methodology would be released sometime in October.

--*Computation of 2001 Capital Water Rates.* Jesus reported that he had no new information on the status of the Bureau's capital water rate proposal. He added that the 2001 rates are due out on October 1 and most likely would be calculated as they were in 2000. He said after the rates are published, there would be a 60-day comment period. He said that the Bureau would not change the way it calculates the capital rates after the 60-day comment period.

--*Status of Response to Questions posed by the FAC re: 2001 Proposed CVP O&M Budget.* Jesus reported that his group had completed its work on our questions and had forwarded them to the Budget shop to finalize the response.

--*Fall Budget Workshop*. Jesus had nothing to report on the budget workshops. Ron commented that the FY2003 O&M budget workshop scheduled for September 20 in Fresno, at the Bureau's South-Central California Area Office had been postponed until October 25 so that the Bureau could provide detailed activity plans prior to the workshop. It was felt that the summary activity plans provided were really not detailed enough to enable the contractors to adequately review and develop budget priorities for their reclamation projects. The Bureau's Northern California Area Office will be holding its FY2003 O&M Budget Workshop on September 26. As of this date there are no plans to postpone it until detailed activity plans can be made available. It was also noted that the Bureau's Folsom Office held its FY2003 O&M Budget Workshop on September 8, but the FAC was not made aware of this meeting.

3. Legislative Updates

--*"Excess Capacity" Legislation*. Ron Jacobsma reported there was nothing new to report.

--*Safety of Dams Reauthorization*. Nothing new to report.

--*2001 Appropriations*. Nothing new to report.

4. Advance Payment Reconciliations

At the August FAC meeting it was noted that the Bureau has been working for some time to reconcile its water delivery records with its advance payment records. Because of limited staff resources the process has been quite slow. The Bureau has sent a number of completed advance payment reconciliations to the contractors for their concurrence but many of the contractors have not gotten back with the Bureau to complete the process.

Bob Stackhouse proposed that we contact the contractors and determine what assistance we can offer them in their review of the reconciliations. One thought would be for the FAC to obtain technical/accounting assistance for member contractors who need assistance in verifying the reconciled water delivery amounts with their records. The FAC would identify individuals (such as Lynn Hurley) who have expertise with the procedures, personnel and records used in the Bureau's reconciliation process and inform the contractors that these individuals would be available to work with them to reconcile their records with the Bureau's. The contractors would contract with, and pay, the person providing the technical/accounting assistance.

In discussing this approach with the Bureau, it was suggested that the reconciliation process could be sped up if the contractors were to analyze their records and detail their payments and charges by month, from the date the accounts were last reconciled, using the same timing and format used by the Bureau, prior to the Bureau's staff getting involved. The Bureau would essentially limit its work to

reviewing the reconciliations submitted by the contractors and researching discrepancies to ensure that the contractor's records tie into the Bureau's. Once the contractors and the Bureau agree with the results of the reconciliations, the Bureau's accounting records would be adjusted accordingly. Ron agreed to draft a letter to the contractors to see if they would be interested in this proposal.

5. Direct Funding Agreements—Actions and Status

The Authorities and the USBR will continue to explore alternative means by which the fiscal agency aspect of the Transfer Agreements may be preserved. Due to fiscal year end closing workload of Bureau staff, further discussions may need to be postponed until October.

6. Contract Renewal Update

The Financial Issues Team is making good progress, however much of the contract language is still being debated. The Bureau appears to be willing to engage to find something that will work for everyone. Among other things, the Bureau has offered to make water service rates related to cost recovery, to tie tiered pricing to delivered water, and to tie refunds to some dollar amount or threshold. The contract negotiations continue.